



# Hon. Robert T. Matsui

## Member of Congress

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*Robert T. Matsui*

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### MATSUI CRITICIZES REPUBLICAN CLAIMS OF JOB CREATION

WASHINGTON, DC—Congressman Robert Matsui (D-CA) today challenged President Bush's assertion that eliminating taxes on dividends -- the centerpiece of the President's \$726 billion tax cut -- will create jobs. Matsui, a senior Democratic Member of the House Ways and Means Committee, criticized both the Bush and the House Republican tax cuts while joining the House Democratic Leadership to announce the Democratic Jobs Plan.

"Unfortunately, the President doesn't know what he's talking about when it comes to job creation," said Matsui. "The President said on May 5 in Arkansas, and I quote, 'Jim Davis is a fellow from right here in Arkansas. He owns his own insurance company in Little Rock. And he was reminding me that by getting rid of the double-taxation of dividends, he would save \$5,700 -- money, which, by the way, that he would seriously consider putting back into his insurance company. He'd like to hire two additional employees.'

"Now, I don't know anyone who would work for \$2,800 a year. I think the President ought to check his math," said Matsui.

The Democratic leadership also joined Matsui in cautioning Americans about the real economic effects of the Republican tax cuts. The leaders noted that many economists, including Federal Reserve Chairman Alan Greenspan, agree that the deficits the Thomas and Bush tax cuts will create will undercut any positive effect they may have on the economy.

"If we agree to the tax cuts Republicans are pushing through Congress, we will tie the hands of the federal government to fund many critical programs," Matsui said.

The plan House Democrats unveiled today, which they will offer as an alternative to the House GOP tax plan on Friday, will create over 1 million jobs by the end of 2003. It grants immediate tax incentives for businesses and provides targeted tax relief to middle-income families. In addition, the Democratic plan extends unemployment insurance for the millions of Americans who are out of work and aid to states for investments in Homeland Security and education.

"In contrast to the Thomas tax cuts -- which Republicans claim will cost \$550 billion but economists argue could easily cost \$1 trillion by 2013 -- the Democratic plan is completely paid for. Our plan is fair, it is fast-acting, and it will not pass the costs on to future generations," added Matsui.

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